Secretary (Finance), Ministry of Commerce and Jt. CCI&E(Admn.) has been constituted to assess the workload of CCI&E (now DGIT) organisation and its staff requirement in the light of new Trade Policy. The Committee has not been given any time frame to submit its report but is expected to give its recommendations as early as possible. The Committee is expected to take all relevant criteria into account while presenting its report.

[*English*]

Structural Adjustments in Agricultural Field

2798. SHRI RAM NAIK: Will the Minister of COMMERCE be pleased to state:

(a) whether the World Bank, the International Monetary fund and the General Agreement on Trade and Tariff have suggested some structural adjustments in the field of agriculture;

(b) if so, the salient features thereof;

(c) whether the above agencies have also suggested free trade in agricultural items; and

(d) if so, its likely effects on the farmers?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (d). There is no suggestion jointly from the World Bank, the IMF and the General Agreement on Tariffs and Trade on structural adjustment in the field of agriculture. However, in August, 1991, the World Bank prepared a Country Economic Memorandum entitled " Agriculture - challenges and Opportunities" covering some aspects of agriculture in India. Some of the main recommendations concerning the agriculture sector relate to increasing overall allocations for agriculture, selective opening up of agriculture sector to the world markets, improving the efficiency of agricultural investments, rationalising subsidies and targetting them towards deserving people, diversification of agriculture to meet the growing demands, providing better incentives to farmers for crop production and revitalisation of rural banking. The Report advocates integration of Indian agriculture to the rest of the World agriculture economy and places major emphasis on market signals and privatisation as a guiding factor for promoting investments in agriculture.

Some of the recommendations of the Report relating to improving the efficiency of agricultural investments are consistent with the Government of India's policies on agriculture. However, integration of Indian agriculture to the rest of the World Agricultural Economy has to be selective and reciprocal. Similarly, while markets and privatisation have their role, there are certain limitations in their functioning in Indian agriculture, particularly in the case of rain-fed agriculture.

In the Uruguay Round, the proposals on trade in agriculture put forward by Mr. Arthur Dunkel, Director General, GATT envisage progressive reduction of levels of protection and subsidisation of agriculture by the GATT member countries. it is further proposed that countries with a balance of payments problem would be allowed to use quantitative restrictions on imports. For developing countries the proposals envisage special and differential treatment in terms of exemption of certain policies and higher de-minimis level below which they are not required to undertake any commitments.

Analysis of the Dunkel text by Government has led to the conclusion that India would not be adversely affected by the proposals on trade in agriculture.